



80 Lambertson Road
Windsor, CT 06095
USA

Main +1 860 687 2110
Fax +1 860 687 2111

milliman.com

February 27, 2014

PERSONAL & CONFIDENTIAL

Mr. Gary Conrad
Finance Director
Westport Town Hall
110 Myrtle Avenue
Westport, CT 06880

Re: Town of Westport Pension Plans
July 1, 2013 Valuation Reports

Dear Gary:

We have enclosed 10 copies for each plan of our July 1, 2013 valuation report. We have also enclosed a single page summary showing the key figures for the five plans side by side. Please let me know if you have any questions or have any trouble finding information you need.

Sincerely,

A handwritten signature in blue ink that reads "Becky".

Rebecca A. Sielman, FSA
Consulting Actuary

TOWN OF WESTPORT RETIREMENT PLANS

JULY 1, 2013 VALUATIONS

Summary of Principal Results

	Municipal	Non-Union	Public Works	Police	Fire	Total
Membership as of July 1, 2013						
Active Members	356	86	30	64	67	603
Terminated Vested Members	20	2	0	0	1	23
Members in Pay Status	213	76	29	76	56	450
Total Payroll	\$16,035,031	\$6,818,264	\$1,770,145	\$5,367,727	\$5,184,152	\$35,175,319
Assets and Liabilities as of July 1, 2013						
Market Value of Assets	\$54,463,402	\$27,005,795	\$15,059,971	\$70,739,726	\$56,818,882	\$224,087,776
Actuarial Value of Assets	53,169,919	26,347,720	14,696,976	69,005,609	55,451,720	218,671,944
Accrued Liability for Active Members	\$34,533,225	\$18,143,853	\$10,614,929	\$32,737,658	\$32,407,289	\$128,436,954
Accrued Liability for Terminated Vested Members	970,497	258,297	0	0	8,472	1,237,266
Accrued Liability for Members in Pay Status	<u>21,141,761</u>	<u>17,410,247</u>	<u>7,181,581</u>	<u>57,948,972</u>	<u>37,694,795</u>	<u>141,377,356</u>
Total Accrued Liability	56,645,483	35,812,397	17,796,510	90,686,630	70,110,556	271,051,576
Unfunded Accrued Liability	3,475,564	9,464,677	3,099,534	21,681,021	14,658,836	52,379,632
Funded Ratio	93.9%	73.6%	82.6%	76.1%	79.1%	80.7%
Annual Required Contribution for FY 2015						
Net Normal Cost	\$1,926,210	\$825,308	\$236,857	\$1,393,588	\$1,400,534	\$5,782,497
Past Service Cost	205,864	560,611	183,591	1,284,208	868,270	3,102,544
Interest	130,590	84,888	25,752	<u>164,015</u>	<u>138,964</u>	<u>544,209</u>
Annual Required Contribution	2,262,664	1,470,807	446,200	2,841,811	2,407,768	9,429,250

This work product was prepared solely for the Town of Westport for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Milliman



Public Works Employees' Pension Fund of the Town of Westport

**Actuarial Valuation as of July 1, 2013
For Fiscal Year 2014-15**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

Steve A. Lemanski, FSA, FCA
Consulting Actuary

80 Lamberton Road
Windsor, CT 06095 USA
Tel +1 860.687.2410
Fax +1 860.687.2111
milliman.com

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2013 for fiscal year 2014-15. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

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In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.


Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary



Steve A. Lemanski, FSA, FCA
Consulting Actuary

Section I - Executive Summary

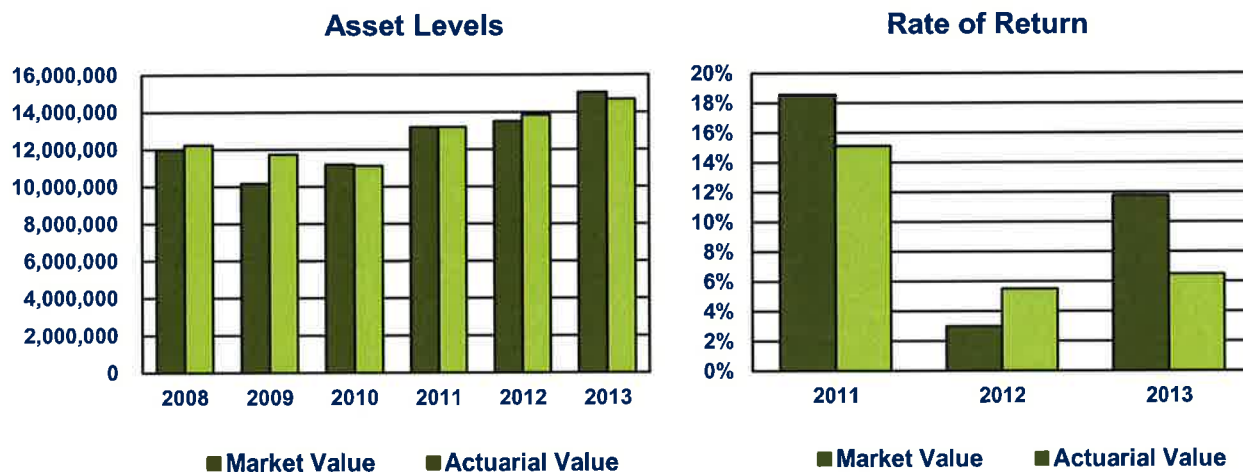
A. Highlights

Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments as of the valuation date. The **Actuarial Value** is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses over five years.

	Market	Actuarial
Value as of July 1, 2012	\$13,517,477	\$13,848,548
Contributions	581,612	581,612
Investment Income	1,590,582	896,516
Benefit Payments and Administrative Expenses	(629,700)	(629,700)
Value as of July 1, 2013	15,059,971	14,696,976

For fiscal year 2012-13, the plan's assets earned 11.79% on a Market Value basis and 6.49% on an Actuarial Value basis. The actuarial assumption for this period was 6.125%; the result is an asset gain of \$764,100 on a Market Value basis and a gain of \$49,800 on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



Please note that the Actuarial Value currently is less than the Market Value by \$363,000. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

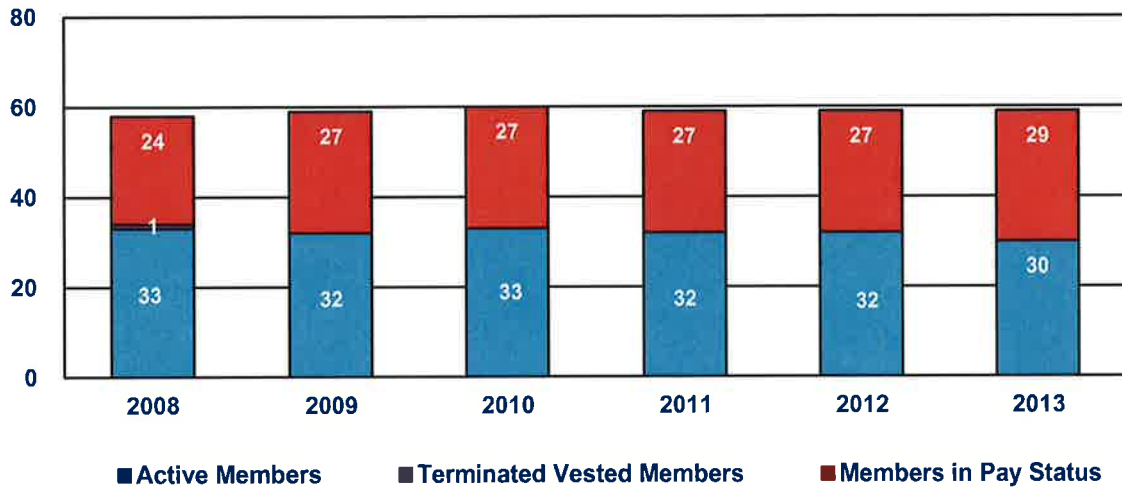
Section I - Executive Summary

A. Highlights

Membership

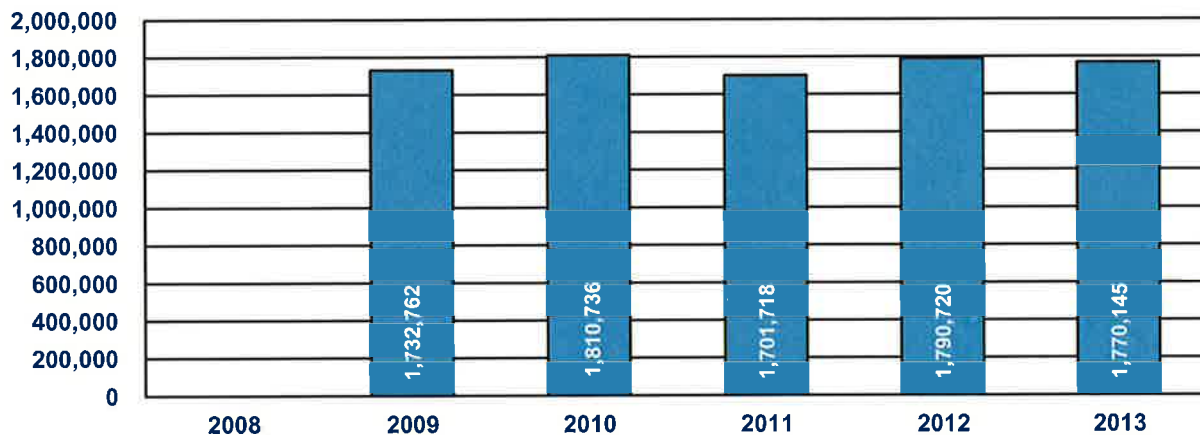
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.

Number of Members



From July 1, 2012 to July 1, 2013, the overall membership stayed the same at 59. During this period, there were 2 members who retired on disability pensions.

Payroll



Section I - Executive Summary

A. Highlights

Plan Changes

None.

Changes in Actuarial Methods or Assumptions

None.

Experience since 2012 Valuation

The plan's assets experienced gains, as discussed in more detail on page 3.

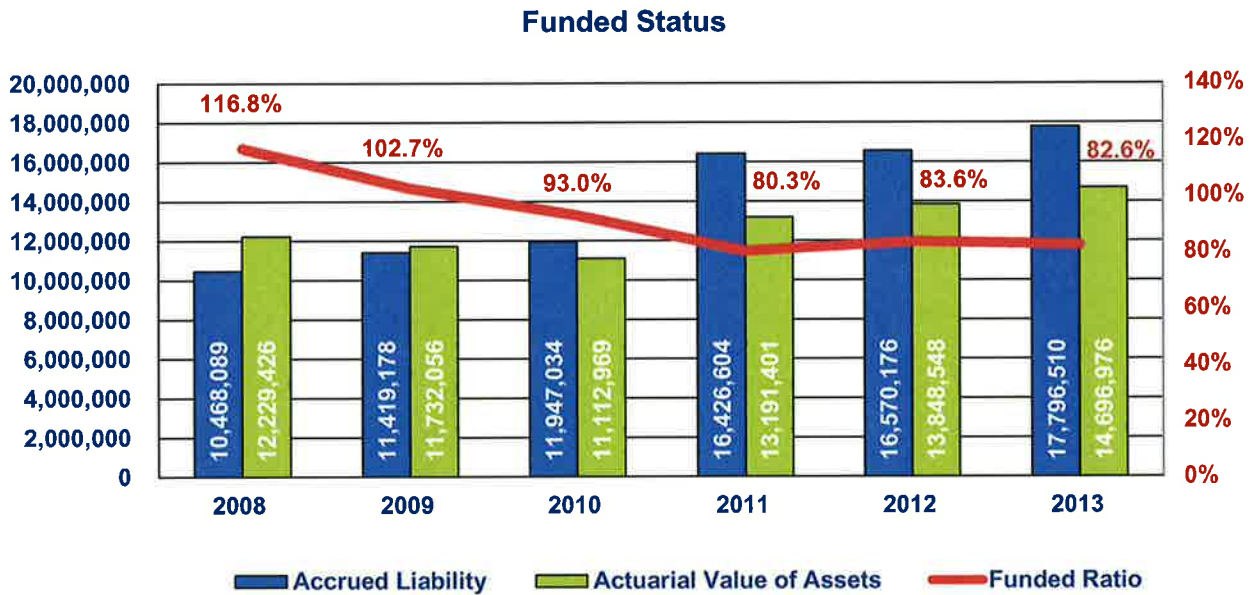
The plan's liabilities increased more than expected during the past year, primarily due to pay increases that were higher than expected.

Section I - Executive Summary

A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years.



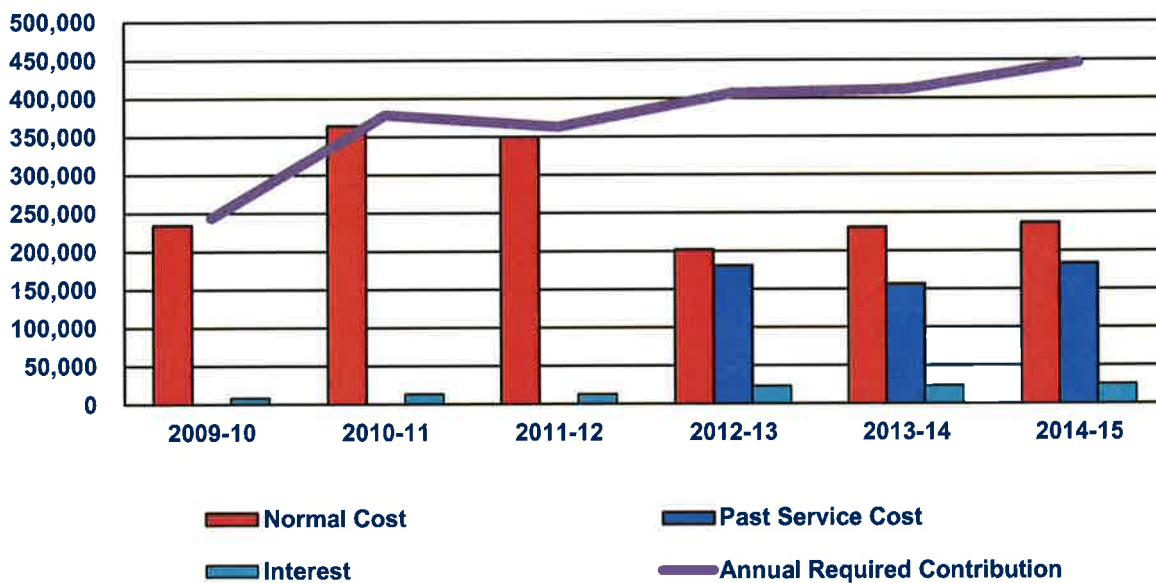
Section I - Executive Summary

A. Highlights

Annual Required Contribution

The Annual Required Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Interest** to the end of the year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current year and the past few fiscal years are shown below.



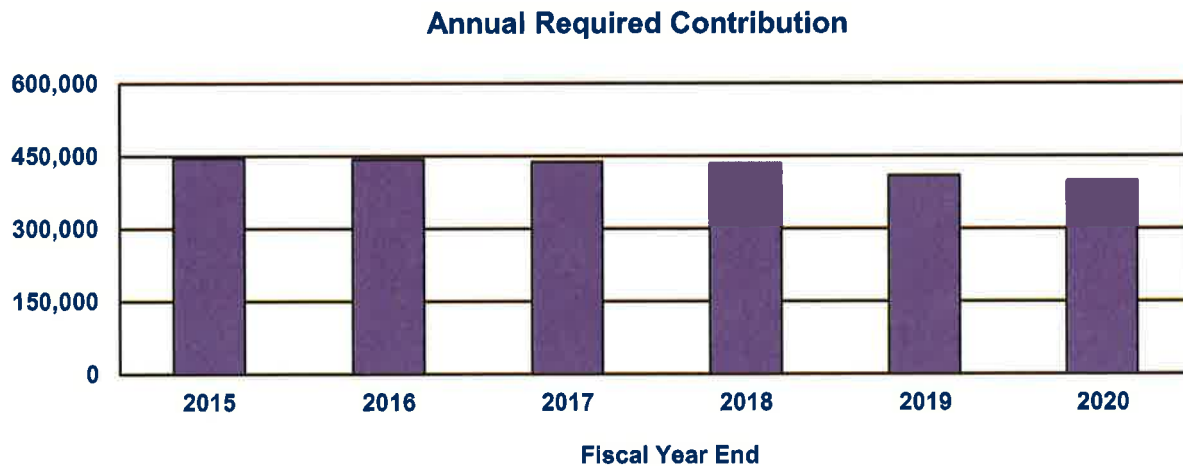
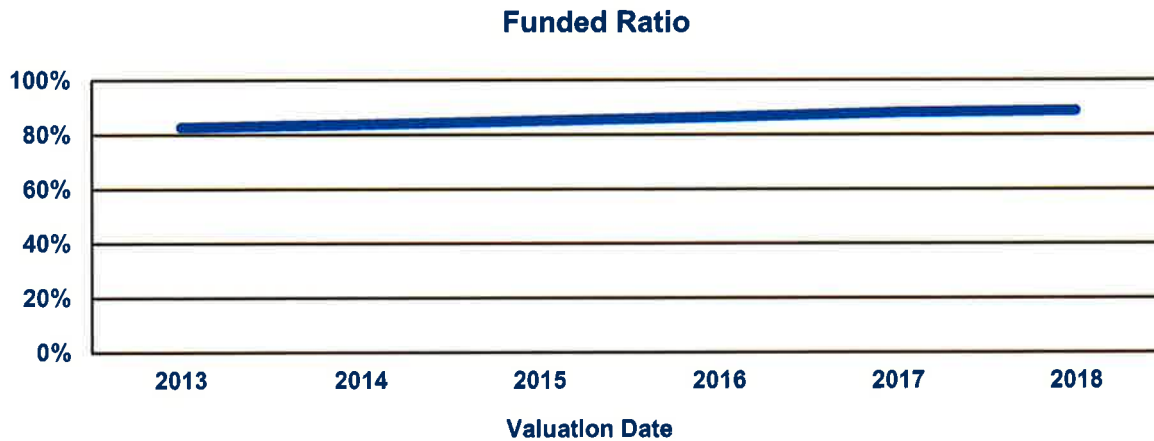
The upward trend in the Annual Required Contribution during this period is due primarily to the large market losses suffered in 2008.

Section I - Executive Summary

A. Highlights

Long Range Forecast

We expect the valuation results for the next several years to follow the patterns illustrated below:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary
B. Summary of Principal Results

Membership	July 1, 2012	July 1, 2013
Active Members	32	30
Terminated Vested Members	0	0
Members in Pay Status	27	29
Payroll	\$1,790,720	\$1,770,145
Assets and Liabilities	July 1, 2012	July 1, 2013
Market Value of Assets	\$13,517,477	\$15,059,971
Actuarial Value of Assets	13,848,548	14,696,976
Accrued Liability for Active Members	\$9,978,450	\$10,614,929
Accrued Liability for Terminated Vested Members	0	0
Accrued Liability for Members in Pay Status	6,591,726	7,181,581
Total Accrued Liability	16,570,176	17,796,510
Unfunded Accrued Liability	2,721,628	3,099,534
Funded Ratio	83.6%	82.6%
Annual Required Contribution for Fiscal Year	2013-14	2014-15
Normal Cost	\$230,713	\$236,857
Past Service Cost	156,544	183,591
Interest	23,719	25,752
Annual Required Contribution	410,976	446,200

Section II - Plan Assets

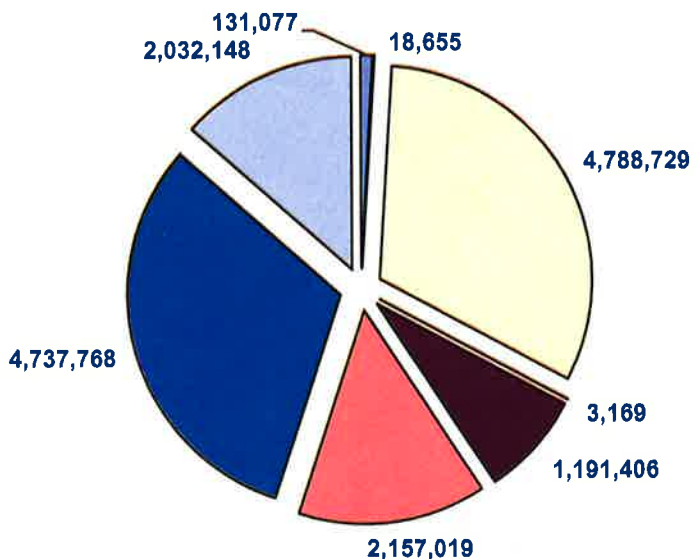
A. Summary of Fund Transactions

Market Value as of July 1, 2012	\$13,517,477
Employer Contributions	406,370
Employee Contributions	175,242
Benefit Payments	(629,700)
Investment Income	1,616,230
Investment Expenses	(25,648)
 Market Value as of July 1, 2013	 15,059,971
 Approximate Rate of Return	 11.79%

Note: The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Asset Allocation

- Cash Equivalent
- Investment Cash
- Fixed Income
- Preferred Stock
- Common Stock
- Collective Equity Funds
- Mutual Equity Funds
- Other Funds



Section II - Plan Assets

B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period starting on July 1, 2011. The Actuarial Value of Assets as of July 1, 2013 is determined below.

1.	Expected Market Value of Assets:		
	a. Market Value of Assets as of July 1, 2012		\$13,517,477
	b. Employer and Employee Contributions		581,612
	c. Benefit Payments and Administrative Expenses		(629,700)
	d. Expected Investment Return Based on 6.125% Interest		<u>826,460</u>
	e. Expected Market Value of Assets as of July 1, 2013		14,295,849
2.	Actual Market Value of Assets as of July 1, 2013		15,059,971
3.	Market Value (Gain)/Loss: (1e) - (2)		(764,122)
4.	Delayed Recognition of Market (Gains)/Losses:		
		Percent Not	Amount Not
	Plan Year End	(Gain)/Loss	Recognized
	06/30/2013	(\$764,122)	80% (\$611,298)
	06/30/2012	413,839	60% 248,303
	06/30/2011	0	40% 0
	06/30/2010	0	20% 0
			(362,995)
5.	Actuarial Value as of July 1, 2013: (2) + (4)		14,696,976
6.	Approximate Rate of Return on Actuarial Value		6.49%
7.	Actuarial Value (Gain)/Loss		(49,768)

Section III - Development of Contribution
A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 25 years starting on July 1, 2011.

	July 1, 2012	July 1, 2013
1. Accrued Liability		
Active Members	\$9,978,450	\$10,614,929
Terminated Vested Members	0	0
Retired Members	4,313,388	4,230,115
Disabled Members	910,025	1,614,423
Beneficiaries of Deceased Members	<u>1,368,313</u>	<u>1,337,043</u>
Total	16,570,176	17,796,510
2. Actuarial Value of Assets (see Section II B)	13,848,548	14,696,976
3. Unfunded Accrued Liability: (1) - (2)	2,721,628	3,099,534
4. Funded Ratio: (2) / (1)	83.6%	82.6%
5. Amortization Period	24	23
6. Amortization Growth Rate	3.00%	3.00%
7. Past Service Cost: (3) amortized over (5)	156,544	183,591

Section III - Development of Contribution
B. Annual Required Contribution

	Fiscal Year 2013-14	Fiscal Year 2014-15
1. Total Normal Cost	\$385,839	\$389,893
2. Expected Employee Contributions	155,126	153,036
3. Expected Expenses	0	0
4. Net Normal Cost: (1) - (2) + (3)	230,713	236,857
5. Past Service Cost (see Section III A)	156,544	183,591
6. Interest on (4) + (5) to start of next fiscal year	23,719	25,752
7. Annual Required Contribution: (4) + (5) + (6)	410,976	446,200

Milliman Actuarial Valuation

**Section III - Development of Contribution
C. Long Range Forecast**

This forecast is based on the results of the July 1, 2013 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return 6.125% on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Values as of the Valuation Date				Cash Flows Projected to the Following Fiscal Year						
Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows	
7/1/2013	\$17,796,510	\$14,696,976	\$3,099,534	82.6%	2015	\$446,200	\$151,480	(\$760,334)	(\$162,654)	
7/1/2014	18,531,000	15,506,000	3,025,000	83.7%	2016	444,000	150,000	(784,000)	(190,000)	
7/1/2015	19,271,000	16,377,000	2,894,000	85.0%	2017	438,000	147,000	(820,000)	(235,000)	
7/1/2016	20,024,000	17,266,000	2,758,000	86.2%	2018	434,000	137,000	(911,000)	(340,000)	
7/1/2017	20,748,000	18,244,000	2,504,000	87.9%	2019	410,000	129,000	(991,000)	(452,000)	
7/1/2018	21,442,000	19,011,000	2,431,000	88.7%	2020	399,000	120,000	(1,080,000)	(561,000)	
7/1/2019	22,065,000	19,709,000	2,356,000	89.3%	2021	386,000	105,000	(1,217,000)	(726,000)	
7/1/2020	22,610,000	20,337,000	2,273,000	89.9%	2022	363,000	95,000	(1,299,000)	(841,000)	
7/1/2021	22,993,000	20,834,000	2,159,000	90.6%	2023	350,000	81,000	(1,418,000)	(987,000)	
7/1/2022	23,285,000	21,243,000	2,042,000	91.2%	2024	331,000	67,000	(1,547,000)	(1,149,000)	
7/1/2023	23,451,000	21,527,000	1,924,000	91.8%	2025	309,000	61,000	(1,589,000)	(1,219,000)	
7/1/2024	23,464,000	21,661,000	1,803,000	92.3%	2026	298,000	56,000	(1,617,000)	(1,263,000)	
7/1/2025	23,391,000	21,731,000	1,660,000	92.9%	2027	286,000	52,000	(1,638,000)	(1,300,000)	
7/1/2026	23,260,000	21,761,000	1,499,000	93.6%	2028	277,000	39,000	(1,722,000)	(1,406,000)	
7/1/2027	23,088,000	21,754,000	1,334,000	94.2%	2029	254,000	34,000	(1,740,000)	(1,452,000)	
7/1/2028	22,791,000	21,637,000	1,154,000	94.9%	2030	234,000	30,000	(1,752,000)	(1,488,000)	
7/1/2029	22,437,000	21,467,000	970,000	95.7%	2031	215,000	21,000	(1,801,000)	(1,565,000)	
7/1/2030	22,033,000	21,248,000	785,000	96.4%	2032	192,000	14,000	(1,831,000)	(1,625,000)	
7/1/2031	21,538,000	20,936,000	602,000	97.2%	2033	163,000	11,000	(1,824,000)	(1,650,000)	
7/1/2032	20,959,000	20,544,000	415,000	98.0%	2034	139,000	7,000	(1,828,000)	(1,682,000)	

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

Section IV - Accounting Information
A. Notes to Required Supplementary Information

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 25 years from July 1, 2011
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	6.125%
Projected Salary Increases	3.500%
Amortization Growth Rate	3.000%
Inflation	2.500%
Cost-of-Living Adjustments	None.

Milliman Actuarial Valuation

**Section IV - Accounting Information
B. Schedule of Funding Progress**

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2009	2009-10	\$11,732,056	\$11,419,178	(\$312,878)	102.7%	\$1,732,762	-18.1%
07/01/2010	2010-11	11,112,969	11,947,034	834,065	93.0%	1,810,736	46.1%
07/01/2011	2011-12	11,517,093	12,433,811	916,718	92.6%	1,671,941	54.8%
07/01/2011	2012-13	13,191,401	16,426,604	3,235,203	80.3%	1,701,718	190.1%
07/01/2012	2013-14	13,848,548	16,570,176	2,721,628	83.6%	1,790,720	152.0%
07/01/2013	2014-15	14,696,976	17,796,510	3,099,534	82.6%	1,770,145	175.1%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Actual Contribution	Percent Funded
2007	\$0	\$42,800	-
2008	118,381	53,958	45.6%
2009	123,709	49,234	39.8%
2010	243,485	124,000	50.9%
2011	378,249	365,000	96.5%
2012	362,891	337,000	92.9%
2013	406,370	406,370	100.0%
2014	410,976	TBD	TBD
2015	446,200	TBD	TBD

Section IV - Accounting Information
D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	As of July 1, 2012	As of July 1, 2013
1. Value of Vested Benefits		
Active Members	\$6,740,862	\$7,340,001
Terminated Vested Members	0	0
Retired Members	4,313,388	4,230,115
Disabled Members	910,025	1,614,423
Beneficiaries of Deceased Members	<u>1,368,313</u>	<u>1,337,043</u>
Total Value of Vested Benefits	13,332,588	14,521,582
2. Value of Non-Vested Benefits	794,433	826,739
3. Total Value of Accrued Benefits: (1) + (2)	14,127,021	15,348,321
4. Market Value of Assets	13,517,477	15,059,971
5. Vested Funded Ratio: (4) / (1)	101.4%	103.7%
6. Accrued Funded Ratio: (4) / (3)	95.7%	98.1%

Section IV - Accounting Information
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2012-2013 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$846,282
Benefits Accumulated/(Forfeited)	1,004,718
Benefit Payments	(629,700)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	1,221,300

Value of Accrued Plan Benefits:

July 1, 2013	\$15,348,321
July 1, 2012	14,127,021
Net Increase/(Decrease)	1,221,300

Section V - Membership Data

A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2012	32	0	12	4	11	59
Terminated, due refund	-	-	-	-	-	0
Terminated, benefits due	-	-	-	-	-	0
Retired	-	-	-	-	-	0
Disabled	(2)	-	-	2	-	0
Died, with beneficiary	-	-	-	-	-	0
Died, no beneficiary	-	-	-	-	-	0
Paid refund	-	-	-	-	-	0
Net transfers	-	-	-	-	-	0
New member	-	-	-	-	-	0
New beneficiary	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count as of July 1, 2013	30	0	12	6	11	59

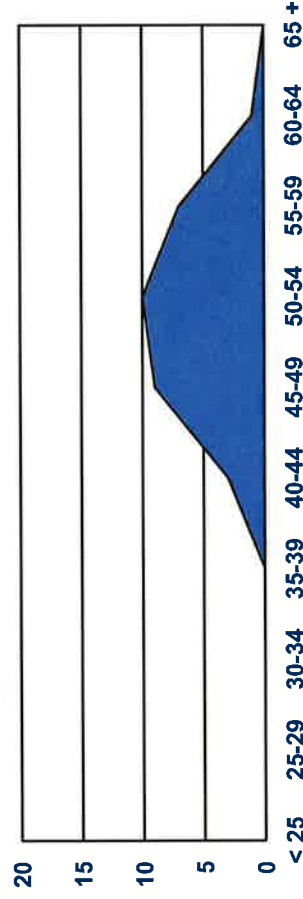
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2012	As of July 1, 2013
Number of Active Members		
Number	32	30
Average Age	50.2	51.0
Average Service	17.4	18.3
Total Payroll	\$1,790,720	\$1,770,145
Average Payroll	55,960	59,005
Terminated Vested Members		
Number	0	0
Total Annual Benefit	\$0	\$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Retired Members		
Number	12	12
Total Annual Benefit	\$365,509	\$365,509
Average Annual Benefit	30,459	30,459
Average Age	74.3	75.3
Disabled Members		
Number	4	6
Total Annual Benefit	\$82,372	\$152,219
Average Annual Benefit	20,593	25,370
Average Age	57.8	57.0
Beneficiaries of Deceased Members		
Number	11	11
Total Annual Benefit	\$144,570	\$144,570
Average Annual Benefit	13,143	13,143
Average Age	77.2	78.2

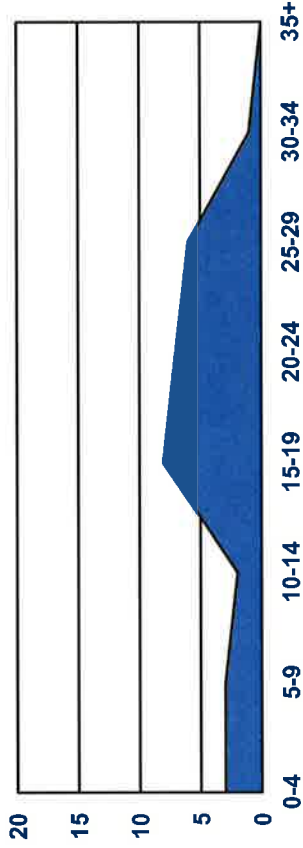
**Section V - Membership Data
C. Distribution of Active Members as of July 1, 2013 - Count**

Age	Years of Service											Total			
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	35+	35+				
< 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	1	0	1	1	0	0	0	0	0	0	0	0	0	3
45-49	1	2	2	1	2	1	0	0	0	0	0	0	0	0	9
50-54	1	0	0	3	2	4	0	0	0	0	0	0	0	0	10
55-59	1	0	0	3	1	1	1	0	0	0	0	0	0	0	7
60-64	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
65 +	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	3	2	8	7	6	1	1	0	0	0	0	0	0	30

Distribution By Age



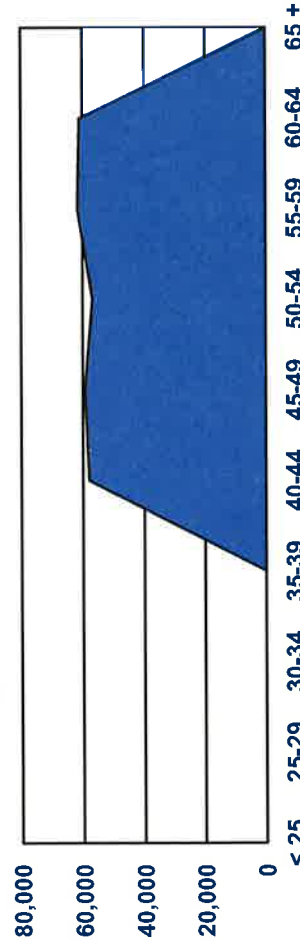
Distribution by Years of Service



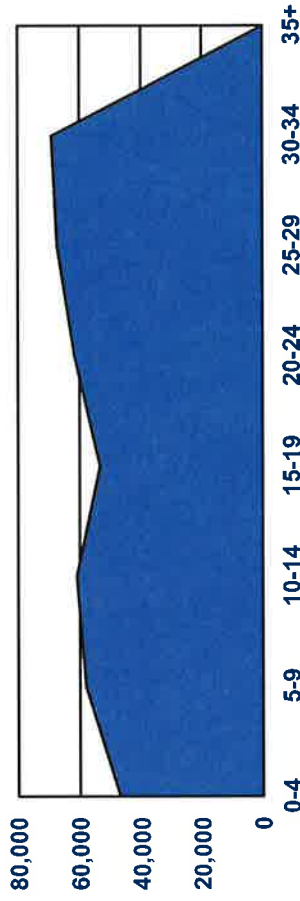
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2013 - Average Pay

Age	Years of Service											Total			
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	35+	35+				
< 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	58,034	0	61,083	55,136	0	0	0	0	0	0	0	0	0	58,084
45-49	45,472	58,177	61,083	61,083	61,750	65,465	0	0	0	0	0	0	0	0	59,338
50-54	45,472	0	0	40,722	64,130	68,197	0	0	0	0	0	0	0	0	56,868
55-59	50,135	0	0	61,083	64,130	65,465	69,107	0	0	0	0	0	0	0	61,727
60-64	0	0	0	0	61,083	0	0	0	0	0	0	0	0	0	61,083
65 +	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	47,026	58,129	61,083	53,448	61,730	67,286	69,107	0	61,730	67,286	69,107	0	0	0	59,005

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2013

	Age	Number	Annual Benefits
Terminated Vested Members /	< 30	0	\$0
Members Due Refunds	30 - 39	0	0
	40 - 49	0	0
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	0	0
Retired Members	< 50	0	\$0
	50 - 59	0	0
	60 - 69	4	152,831
	70 - 79	4	160,035
	80 - 89	3	43,262
	90 +	1	9,382
	Total	12	365,510
Disabled Retirees	< 50	1	\$27,946
	50 - 59	3	89,832
	60 - 69	2	34,441
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	6	152,219
Beneficiaries	< 50	0	\$0
	50 - 59	1	48,917
	60 - 69	1	5,700
	70 - 79	3	30,121
	80 - 89	4	42,045
	90 +	2	17,786
	Total	11	144,569

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Normal Cost** is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2011, the amortization period is 25 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

Effective July 1, 2011, the **Actuarial Value of Assets** was reset to equal the market value. In future years, the **Actuarial Value** is determined by recognizing asset gains and losses over **five** years.

Appendix B - Actuarial Assumptions

Interest	6.125%
Amortization Growth Rate	3.000%
Salary Scale	3.500%
Expenses	None.
Mortality	RP-2000 Mortality Tables for employees, healthy annuitants, and disabled annuitants, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.
Turnover	50% of Vaughn Select and Ultimate table:

Age	Service			
	1	2	3	4+
20	14.90%	12.50%	10.50%	9.30%
25	13.90%	11.25%	9.25%	6.80%
30	12.90%	10.00%	8.00%	5.05%
35	11.90%	8.90%	6.90%	3.95%
40	10.90%	7.90%	5.90%	3.25%
45	9.90%	7.05%	5.05%	2.75%
50	8.90%	6.30%	4.30%	2.25%
55	6.75%	4.75%	3.08%	1.54%
60	0.00%	0.00%	0.00%	0.00%

Retirement Active members are assumed to retire according to the following table:

Age	Rate
<62	5%
62-69	20%
70	100%

Also 100% are assumed to retire at 33 years of service.

Terminated vested members are assumed to retire at their Normal Retirement Date.

Appendix B - Actuarial Assumptions

Disability

50% of 1985 Pension Class 4 table:

Age	Male	Female
25	0.13%	0.09%
35	0.25%	0.23%
45	0.47%	0.44%
55	1.14%	1.06%
65	2.30%	1.43%

All disabled members are assumed to receive the On Duty disability benefit.

Marriage Assumption

80% of members are assumed to be married and husbands are assumed to be 3 years older than their wives.

Load for Unused Sick Days

The Accrued Liability and Total Normal Cost for active members are loaded by 1.00% to anticipate the trade of unused sick days for additional pension service.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility	Each public works employee is eligible to participate as of the date the employee completes the probationary period. Employees hired after the effective date of the new contract are not covered by this plan.
Employee Contributions	9% of Compensation for employees hired before July 1, 1999. 10% of Compensation for employees hired on or after July 1, 1999. Contributions are credited with 5% interest.
Credited Service	Service from date of hire measured in years and completed months, capped at 32.5 years. Credited Service includes unused sick time of 60-120 days.
Compensation	Base Salary, including "pick-up" contributions but excluding overtime or other income.
Final Average Earnings	Compensation earned during the last 12 months of service.
Normal Retirement Date	The first day of the month coincident with or next following the later of the date the member's age plus Credited Service equals 75, or age 55 with the completion of 10 years of service.
Normal Retirement Benefit	2.50% of Final Average Compensation times Credited Service (maximum of 32.5 years) reduced by payments from any program to which the employer has contributed.
Early Retirement Date	None provided.
Disability Retirement (On Duty)	50% of the annualized Compensation immediately prior to disability or if greater, the Normal Retirement Benefit calculated as if the member terminated at date of disability. At the death of the member, 100% of the benefit will continue to the spouse or eligible children. If hired on or after January 1, 2002, 75% of the benefit will continue.
Disability Retirement (Non Duty)	Refund of accumulated employee contributions with interest. The Pension Board may award a pension equal to the On Duty Disability benefit.
Pre-Retirement Death (On Duty)	50% of the annualized Compensation immediately prior to death. For members hired on or after January 1, 1999, 75% of the amount described above is payable to the beneficiary.
Pre-Retirement Death (Non Duty)	Refund of accumulated employee contributions with interest.

Appendix C - Summary of Plan Provisions

Normal Form of Payment	100% Joint & Survivor for members hired before January 1, 1999. 75% Joint & Survivor for members hired on or after January 1, 1999. Upon the death of the member and any beneficiaries, the excess of employee contributions with interest over the sum of benefits previously paid is payable to the member's estate.
Vesting	100% vested after completing 10 years of continuous service.
Vested Retirement	If vested, Normal Retirement Benefit accrued to date of termination payable at Normal Retirement Date. Can opt to receive a refund of employee contributions with interest in lieu of a monthly benefit.
Termination Benefit	If not vested at termination, a refund of accumulated employee contributions with interest will be paid.